

it's about
you
your children
& your
parents



p l a n n i n g t o d a y f o r t o m o r r o w

Susan never anticipated how difficult and heart-breaking it would be to place her mother in a long-term care facility. With her mother's current medical condition, she had no choice. She would be unable to keep her mother in her home regardless of Susan's need to continue to work. Her mother's condition would require around the clock medical attention. The pain of seeing her mother in this situation was great, but, at least as far as finances were concerned, Mom's Medicare would pay the costs associated with the care so Susan would not have that worry. Surprisingly, Susan soon discovered from the social worker that Medicare would not pay for Mom's care. So what about Medicaid? Since Mom had saved over the years and had assets, she did not qualify for Medicaid either. What would happen to her mother once she had spent all her money? Would she get the care she needed? This was only the beginning of a long journey for Susan and her Mom...

Introduction

*L*ong-term care issues can be complex and confusing. With so many options, services and settings in which care is given, many people put off learning about the issues until they are personally affected. Unfortunately, that is likely to be the time when you are under the most pressure to make a decision, and when time is too short to carefully weigh your options.

Because these long-term care issues deserve your careful attention, don't wait until it's too late to find out all you can about this important health care alternative. This brochure can give you direction and information on services and resources available in North Carolina to help you with your long-term care decisions.

Don't wait any longer to find out important information!

What is Long-Term Care?

Long-term care is the day-in, day-out assistance you might need if an illness or disability lasts a long time and leaves you unable to care for yourself. This may or may not include a nursing home stay. In other words, it is a continuum of services that can be provided in a variety of settings ranging from one's own home to assisted living, adult day care or in a nursing home. Long-term care covers a broad spectrum of care and services ranging from basic personal care to medical care.

Who Needs It?

Anyone at any age can need some form of long-term care! Surprisingly **40% of Americans who need long-term care** are not yet 65 years old.

What Does It Cost?

Long-term care can be very expensive and the costs depend upon the type of care you are

getting and who is delivering the care. A year in a nursing home can cost as much as \$46,000. Care provided to a person in their home may cost less, but still be unaffordable to many people if paying out-of-pocket. According to the National Association of Insurance Commissioners "Shopper's Guide to Long-Term Care Insurance" if a nurse comes to your home to give you medical nursing care three times a week for 2 hours each visit, the bill would be approximately \$19,000 annually. If the care was personal in nature and was rendered by an aide three times a week for 2 hours, then the cost would drop to about \$10,600 a year.

Who Pays for It?

In many cases people are responsible for paying the bills themselves. This may be difficult if one does not have sizable assets or income. If a person depletes all their assets, he or she may qualify

for Medicaid. It is important to note that Medicare and Medicaid cannot be relied upon to pay all of one's costs.

Another option is the purchase of a long-term care insurance policy (LTCI). Individuals can purchase long-term care insurance to help cover the costs of long-term care in one's own home, an assisted living facility, or in a nursing home. Long-term care insurance is not for everyone. It can be expensive and it has many complicated features that consumers need to understand.

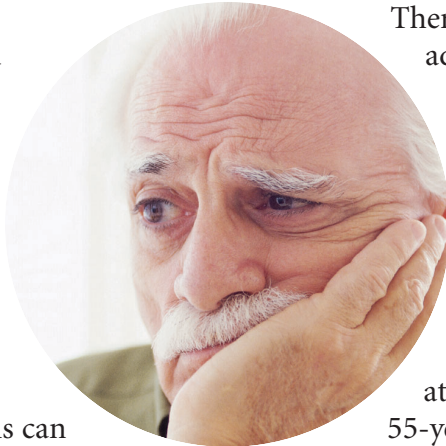
Also, there are state and federal tax incentives for people who buy certain long-term care policies. North Carolina provides an income tax credit of 15% of the premium costs (not to exceed \$350 for each contract) of a federally qualified LTCI policy

paid during a taxable year.

There are federal tax advantages in certain situations that allow policy premiums to be considered a deduction.

LTCI policies can be expensive, but are more affordable if purchased at a younger age. For a 55-year old purchasing a basic two-year policy, the premiums can range from \$170-\$598 per year. For a 75-year old, those policies range from \$1186-\$3120 per year so there is a cost advantage to buying early. However, it is important to realize the more comprehensive the plan, the higher the premium.

To learn more about long-term care insurance, you can contact the NC Department of Insurance's Seniors' Health Insurance Information Program at 1-800-443-9354 or 919-733-0111 or visit their web site at www.ncshiip.com.



What Resources are in the Community to Help You?

There are many agencies available to assist you or your loved one in getting more information on elder care and aging services. The following North Carolina based resources can assist you in finding important information on the following critical topics dealing with long-term care issues.

- Care options available in North Carolina and where to obtain more information
- Explanation of what Medicare and Medicaid covers
- Private long-term care insurance and the affordability for different age groups – younger individuals as well as older adults
- North Carolina's long-term care tax credit for long-term care insurance
- Other financing alternatives such as reverse mortgages, accelerated death benefits and life insurance related alternatives for generating cash

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Seniors' Health Insurance Information Program (SHIIP) – Toll free 1-800-443-9354 or 919-733-0111 – www.ncshiip.com

SHIIP offers free guidance to consumers on health insurance issues and products including Medicare, Medicare supplement insurance, employer group plans and long-term care insurance. This program also provides unbiased information on long-term care insurance products without pressure or selling tactics. SHIIP offers a LTCI packet to interested consumers free of charge.

NC Division of Aging – 919-733-3983 – www.dhhs.state.nc.us/aging

The Division administers aging programs for individuals 60 years of age and older through a network of area agencies and over 300 local agencies.

AARP – 919-755-9757 – www.AARP.org or www.NCAARP.org

AARP has many brochures and pamphlets describing long-term care options, questions to ask of your doctors and lawyers, and important issues to discuss as part of family and estate planning.

Some State Resources

NC Division of Facility Services – 919-733-7461 (nursing homes) or 919-733-6650 (adult care homes) www.facility-services.state.nc.us/

North Carolina Housing Finance Agency – 919-822-5700 (reverse mortgages) www.nchfa.com

NC Division of Medical Assistance – 919-733-7160 – information on (medicaid) www.dhhs.nc.state.us/dma

NC Department of Insurance, consumer services – 1-800-JIM-LONG – (accelerated death benefits, life insurance) <http://www.ncdoi.com/>



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This brochure was made possible by a grant from the North Carolina Association of Insurance Agents, Inc. or NCAIA.

17,000 copies of this public document were printed at a cost of \$5,000 or \$.29 per copy.